

The American Observer

A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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Wartime Conditions In Canada Examined

**Dominion Exerting Great Effort
to Supply Britain with Men
and Needed Materials**

GREATER CENTRALIZATION

**Dominion Government Now Extending
Control over Agriculture,
Industry, and Labor**

Although the United States is by far the largest and most important single source of the supplies now flowing across the Atlantic to aid Britain in stemming the German tide, it is not the only one. The dominions of Australia, New Zealand, and South Africa are contributing as much as can be carried over the very long and dangerous sea routes from the Southern Hemisphere. The weather-beaten freighters and tankers which gather regularly to await convoy at Bermuda have large quantities of food, fuel, and raw materials from Latin America stowed away in their holds. But outside the United States, the British seem to be leaning most heavily on the big dominion which lies beyond our northern borders for material aid of all kinds.

War Effort Increases

Canada, the oldest and largest self-governing unit in the British Empire, has participated in the war almost from the date of its outbreak. This participation was very limited at first, it is true, but when German mechanized divisions slashed through the Allied front in France, last spring, there were Canadians on hand to take part in the fighting. Today, as the threat of invasion still hangs over Britain, there are Canadians on guard in the heart of the Empire. In the fierce contest for supremacy in the skies over Europe, Canadian airmen are playing an important part. Canada's small navy, swelled from 15 to 120 ships since the war began, is now patrolling sea lanes, guarding convoys, and hunting surface raiders from the wintry coasts of Newfoundland to points as far south as the West Indies. In Canadian training centers, 36,000 young men are being taught the ins and outs of military flying.

But with a population only slightly in excess of 11,000,000 (which is but a little larger than that of the metropolitan area of New York City), the Dominion cannot send a big army or air force overseas without weakening its defenses at home severely, for its man power is limited.

A hint of Canada's real role in the war was recently revealed in a relatively obscure news item. On one of the many ships torpedoed and sunk en route to Britain was Mr. C. D. Howe, the Canadian minister of supply. When he was rescued, Mr. Howe had with him some very important documents. They contained the results of some years of careful planning along lines which may turn Canada into a great central supply base of the entire British Empire.

So far, Canada's principal contribution to Britain's war effort has been somewhat similar to our own. The Canadians have been busily producing shells, armor plate, aircraft bodies and parts, chemicals, explosives, ores, machine tools, and food-stuffs for shipment across the ocean. In a little more than a year, the Canadians have spent \$281,000,000 to expand their war industries. They have built 55 new air fields and are gradually turning the Dominion into an Empire training center and

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ARSENAL OF DEMOCRACY

Reason and Emotion

By WALTER E. MYER

I once heard two boys, who apparently could think of no better way to exercise their minds, debating with some heat the relative importance of the locomotive engineer and the fireman. One of the boys was certain that the engineer occupied the more essential position. The fireman, he said, might fire the engine and get up plenty of steam, but if it were not for the hand of the engineer, the engine would either stand still or run riot, plunging from the rails and wrecking the train. A fireman without an engineer was dangerous, he declared, for it was only the engineer who could guide the engine to its destination. The other boy retorted that the most skilled engineer could get no place if he had no steam; that however deftly he might manipulate his throttles and controls, he would stand still without the efforts of the fireman. Of course both boys were right, but they could have settled the argument quickly by an agreement that both the engineer and the fireman are essential to the functioning of the engine; that the work of neither is complete without that of the other.

This is a very simple fact which everyone understands. But there are certain simple facts about the guidance of human conduct which are not so well understood. Reason occupies a place with reference to conduct similar to that of the engineer with reference to his engine, while the work of emotion may be compared with that of the fireman. Through exercise of the reasoning powers one discovers the truth. He becomes acquainted with facts. He decides upon the course he should follow. But there are many people who decide what they should do and then do nothing. They know what should be done, but they are not energetic enough to act. They really care very little about action; about results. They lack feeling. Their emotions are not stirred. There is nothing within them driving them on in the direction they have decided upon. They are like the engine with an engineer but no fireman.

There are people, on the other hand, who are fired by emotion. They are creatures of feeling. But the engineer is absent. Reason is not at the controls. So there is no intelligent direction to their activities. They go off on tangents; say and do foolish things. When they enter an argument they do not deal with facts and evidence. They often call their opponents names. We hear a great deal these days from such people. If they want America to assist England they call those who do not agree with them "appeasers." If they oppose "all out" aid to England they call their opponents "war mongers." But they do not meet argument with argument. They do not study the facts. They do not think; they *emote*. They go careening through life making a lot of noise, but getting nowhere in particular. The well-balanced individual, the good citizen, feels deeply; is fired by emotion. But he does not substitute emotion for judgment. Reason is ever present at the controls.

New Budget Reflects Huge Defense Costs

**More Than Half of 17½ Billion-
Dollar Outlay to Go for Pre-
paredness Program**

NATIONAL DEBT IS SOARING

**President Calls for Higher Taxes
in Order Partially to Meet
Expenses of Defense**

Only once before in American history have the expenditures of the federal government exceeded the amount requested by President Roosevelt in his budget message of this year. The Chief Executive asks Congress to appropriate 17½ billion dollars for the year beginning next July 1 and ending June 30, 1942. This sum was surpassed during the World War days when, for the year 1918, a total of more than 18½ billion dollars was spent. But in all probability, the expenditures for next year will be even larger than those included in the budget, for Mr. Roosevelt admits that additional sums will be requested later, especially in order to finance the program of giving aid to Great Britain.

Many Problems Raised

The presentation of next year's budget has raised a number of vitally important problems which Congress and the American people will be debating for weeks to come. Does the expenditure of such a gigantic sum of money endanger the credit of the federal government and thus threaten financial chaos? Should the government continue to borrow heavily to meet its increasing outlays or should it attempt to obtain a larger proportion by raising taxes? Should the present restrictions on the national debt be completely removed or should the debt limit merely be raised? These are some of the questions which will be dealt with later in this article. For the moment, let us turn to the budget itself and see what expenditures it provides for.

The custom of presenting an annual report to Congress on the federal government's financial situation has been followed for a number of years. As soon as the President has presented his annual message to Congress on the "state of the Union," he submits the budget and a budget message explaining it. The budget includes an estimate of the amount of money the government will need to carry on its operations, together with estimates of the amounts it will receive from taxes and all forms of revenue. Since the government's bookkeeping year runs from July 1 to June 30, the estimates cover that period. The budget submitted by Mr. Roosevelt is therefore for the fiscal year 1942; that is, from next July 1 to June 30, 1942.

Preparation of the federal budget requires months of hard work. Each of the scores of federal departments and agencies draws up a list of the expenditures it expects to make during the next fiscal year and submits it to the Bureau of the Budget. Frequently, the original estimates are sent back for revision, with recommendations for curtailment in various directions. Finally, the director of the budget goes over all the totals and submits them to the President, who must place his stamp of approval on the completed budget and submit it to Congress to serve as a basis for appropriations.

The task of preparing the 1942 budget
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THE INAUGURAL PROCESSION FOR ABRAHAM LINCOLN

Historical Backgrounds

By David S. Muzzey and Paul D. Miller

The Inaugural Ceremonies

THE inauguration today of Franklin D. Roosevelt as President of the United States will, in many respects, be one of the most important in American history. It will be unique since it is the first time in our history that the same man has been inducted into office for three terms. Seldom, if ever, has an inauguration taken place at a more critical time, for as Mr. Roosevelt said in his message to Congress, the crisis confronting the nation is "unprecedented." And at no time have the people looked more intently for wise and strong leadership in one man than in Mr. Roosevelt.



DAVID S. MUZZEY

Until 1937, the inaugural ceremonies always took place on March 4, but the twentieth amendment to the Constitution changed the date to January 20. The reason for the change was to enable the man elected President in November to assume office with as little delay as possible, thus permitting the wishes of the people to become effective more rapidly. In the case of a President who has been reelected, the inaugural date is of little importance, but when there has been a change serious difficulties may be encountered, for little action can be taken between the election and the induction into office of the new Chief Executive.

Many Changes

Since the establishment of the federal government, the inaugural ceremonies have undergone many changes until today they have become fairly elaborate. The inaugural parade, which constitutes the most spectacular feature of the procedure, was begun in 1805, with the second inauguration of Thomas Jefferson. When he was inaugurated the first time, Jefferson merely walked across the street from his lodgings to the Capitol, the only ceremony being a discharge of artillery guns. Four years later, he traveled from the White House to the Capitol on horseback in the company of his secretary and his groom.

With the inauguration of James Madison troops were used in the parade and by the time of Jackson quite an elaborate ceremony had developed. As soon as Jackson had delivered his inaugural address at the Capitol, a milling crowd surged forth to grasp the President's hand and it was only with difficulty that he could make it to his horse. A witness tells us that "the President was literally pursued by a motley concourse of people, riding, running helter-skelter, striving who should first gain admittance into the Executive Mansion, where it was understood that re-

freshments were to be distributed." In the White House itself complete disorder reigned; dishes were broken and the furniture was trampled upon.

Martin Van Buren was the first President to call at the White House before the inauguration and ride to the Capitol in the company of the retiring Chief Executive, thereby establishing a precedent which has been followed to this day. The development of transportation facilities made possible the gathering of larger crowds in the capital city for the inauguration ceremonies. In the present inauguration, as in the last few, throngs from far and wide have converged on Washington personally to participate in the ceremonies. Special trains bringing movie stars, state governors and local political chieftains, patriotic organizations, and many other groups have greatly added to the temporary population of Washington.

Presidential Review

The custom of reviewing the inaugural parade was started by President Polk. As soon as the oath of office is administered by the chief justice of the Supreme Court and the President has delivered his address, he leads the procession from the Capitol to the White House and after taking lunch, sits in a specially constructed reviewing stand to watch the lengthy parade as it passes by. The inaugural parade usually takes several hours before it is completed.

With the second inaugural of President Grant, all state governors were invited to participate in the inaugural ceremonies. In 1937, their presence was used as an opportunity to discuss state and local problems when President Roosevelt held a conference with them.

From Thomas Jefferson's first walk to the Capitol and Andrew Jackson's famous horseback ride up Pennsylvania Avenue, the custom of riding in carriages soon developed. This means of transportation was abandoned in favor of the automobile with the second inaugural of Woodrow Wilson in 1917. Because of the size of the crowds, elaborate precautions are now taken to guard the President's life during inauguration day.

This year, the attempt is being made to bring the inaugural ceremonies to all the people of the nation. In cities throughout the land, appropriate ceremonies are being held. The gravity of the international situation has lent a solemnity to the occasion which has been equaled few times before in our national history. Moreover, the advances made by radio during recent years have made it possible for millions to share vicariously in the proceedings which in former times could be enjoyed only by those who could make the journey to Washington.

Honesty - Basis of Citizenship

WHEN I hear a person raising the question of whether it pays to be honest, I wonder just what he has in mind. Is he thinking merely of the effect of honest conduct upon an individual? Is he inquiring whether he, himself, will be better off if he is honest, reliable, and dependable at all times? Or is he giving some thought to the community and the nation? Does he want to know whether people in general—whether the country as a whole—will benefit if all or most citizens are honest?

The answers to all these questions, it seems to me, are so obvious as to eliminate any dispute. In the first place, it should be clear that no community can get along well and solve its problems unless its officials are honest and reliable, and they will be honest only if a high standard of honesty prevails among the people. No nation will solve its problems well unless its officials are so straightforward and dependable that they have the confidence of the people. Unless most people are honest, distrust will prevail. There will be cynicism, lack of confidence. Public officials will not rise above the level of the people. The country will be badly governed. There will also be business collapse unless business conduct is on a high plane; unless those engaged in industry in high places and low can be trusted.

There have been times in history when nations have fallen because the standards of public and private conduct were not high. There have been times, on the contrary, when leaders of exceptional character have saved a people from disaster. At the very beginning of our national life there was grave danger that the attempt to form a government would fail. But there was one leader whose reputation for honesty was so well established that everyone trusted his honor and patriotism. George Washington saved the nation, and his contribution was, to a great extent, one of character.

Each citizen has his part to play in building high standards of public conduct. Let each one be honest and reliable, and standards throughout the nation will be high. Confidence will prevail. Public officials will serve the common good and the nation will move forward. Any individual who, in his private life, departs from standards of honesty, is helping to break down or destroy the conditions under which public life can be healthy and progressive. He is as bad as a slacker in time of war. He may be as

harmful as a Fifth Columnist. His influence is against the maintaining of a strong government and a happy, secure nation.

Not only does honesty pay in terms of good citizenship, but it pays the individual who practices it. It pays in many forms of currency. It returns a profit in the form of self-respect, in terms of friendships, the esteem of others, in ease of conscience, in the satisfaction which comes when one knows that he is fair and square in all his dealings. Profits or benefits of this kind are not to be scorned. They are worth more to any normal person than anything money will buy.

But suppose you take a narrow view and ask whether it will pay you in terms of money or power to be honest. I answer without hesitation that it will. You may tell me of a man here and there who has succeeded in making money through dishonest practices. That happens sometimes. But you must think also of the hundreds of thousands of men and women who lose their jobs every year or fail of promotion because they are not entirely dependable. These people do not get the publicity that an occasional successful rascal does, but every employer can give you a list of them.

And do not forget that hundreds of thousands of young men and women are advancing in their work day by day, moving slowly but surely to positions of security and promise because they can be depended upon—because they are known to be strictly honest.

One more word: Do not think that you can be tricky and undependable at home, at school, at your job, and still maintain a reputation for reliability and dependability. You may do it for a while, but in the long run you will be known for what you are.—W.E.M.

Test Yourself

Ask yourself these questions. You need not make your answers public. They are for you alone. When you have finished, put the paper containing your answers away; keep also the list of questions. In a few weeks get the list out and take the test again. Then compare your answers with the earlier ones. You can tell in that way whether, after having given the matter thought, you are developing higher standards.

1. If you ever say or do a thing which is not strictly honest and honorable do you stop to inquire what the effect would be if all other people acted in the same way?

2. Suppose you decided that the effect would be bad on your home, the community, the nation, if the honesty standards of others were the same as yours; would you consider that a sufficient reason why you should give up your dishonest practices?

3. Would you do any of these things if you thought you could do so without being caught at it?

- Cheat in an examination.
- Keep money which you find if you know who the owner is.
- Tell your parents you were working at the library when in fact you were at a party which they didn't want you to attend.
- Fail to report property to avoid paying taxes on it.
- Misrepresent an article you are selling.
- Do shoddy work to save time or exertion and cover it up so your employer cannot find it.
- Do a poor piece of work and make your employer think it was done by one of your fellow workmen.

4. Take up each of these seven acts and consider what some of the consequences might be. What would be the effect on the home, the school, or the community, if everyone did that kind of thing?

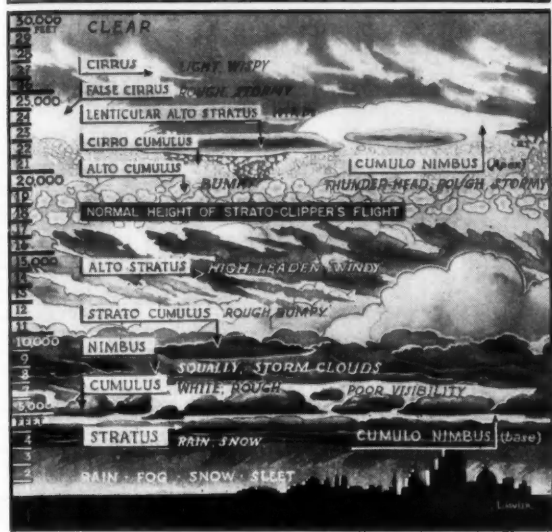
5. If you were the employer and found that an employee had done the thing mentioned under 3(f) what would you think of him? Would you advance him?

6. If you found that someone working at your side did to you the thing mentioned under 3(g) what would you think of him?

7. "Dishonesty and patriotism do not mix." Is that statement true? Explain.



Commercial Aviation Is Affected by Progress in Substratosphere Flying



WHERE THE STRATOCLIPPERS SOAR

By flying in the "thin" upper air the Stratoclippers will normally operate above the turbulence of weather. The chart shows the various types of cloud and the resulting "weather" at all levels up to the "weather-free" areas above 30,000 feet.

COMMERCIAL aviation in what is popularly called the substratosphere may prove to be the outstanding achievement of the "Flying Forties."

Upper-level air routes are far superior to others. Above 16,000 feet most bad weather can be avoided, the troublesome icing of the wings ceases to be a problem, and radio reception is ideal. Because of the rarefied atmosphere, air resistance is lessened, and the same power can produce higher speeds. Then, in accordance with the principle, "The higher, the safer," flying high brings greater safety.

But it is difficult to obtain enough oxygen at the higher levels, and the pressurized cabin had to be developed before passengers could be carried. The pressurized cabin is completely sealed, and pumps compress the air within so that the occupants are as comfortable at 18,000 feet as they would be at 8,000.

Last year the Boeing Aircraft Company of Seattle, Washington, built a number of large, four-motored, low-winged planes

with pressurized cabins. It was these ships which made it possible for the United States to become the first nation to incorporate above-the-weather flying in its system of commercial air transport. Pan American Airways now has three "stratocliners" making regular runs to the Panama Canal Zone and to Rio de Janeiro, Brazil. Transcontinental and Western Air has seven "stratoliners" plying between New York and Chicago, between New York and Kansas City, and from coast to coast. All these planes fly at about 200 miles per hour, 18,000 feet or so above sea level. It was soon apparent that they were a success, and other manufacturers and air lines began to experiment with similar craft.

"Stratoclipper" and "stratoliner" are rather misleading terms, for the stratosphere will never be traveled by such planes as these.

The stratosphere is a belt of thin air which begins some four and a half miles up at the poles and nine or 10 miles above the equator. It is a region of perpetual calm. It has no clouds, no winds, no dust, no storms. One day is exactly like the next—bitter cold, silent, and still, with a blinding white sun blazing in a sky that is always purplish black or gray. With good flying weather every day and air resistance reduced to a minimum, the stratosphere offers aviation real advantages.

But the day when its vast silences will be pierced by the roaring motors of commercial planes is not yet at hand. A specially constructed balloon has carried men as high as 72,395 feet, but long before the plane pilot reaches any such altitude he finds that there is not enough air for the wings and propellers to grip.

Captain D. W. Tomlinson, TWA vice-president in charge of engineering and research, has flown above 30,000 feet, and he believes that for the present altitudes between 16,000 and 22,000 feet must be

considered ideal. Engineers of the Douglas Aircraft Company, however, predict commercial flying at 30,000 feet in the near future. In this connection, it is interesting to note what war is doing to encourage higher flying. In Europe daylight bombing raids are seldom attempted below 25,000 feet, and the bombers have supercharged engines for operating at such altitudes. The Republic Aviation Corporation, Long Island, has countered substratosphere bombing by constructing a larger, heavier pursuit ship equipped with a 2,000-horsepower radial engine and a secret turbo-charger. This plane will climb to 40,000 feet.

It may be that the stratosphere presents problems which it would not pay us to attempt to solve now, but the airmen of the "Flying Forties" are cruising nearer and nearer to it.

Information Test

Answers to history and geography questions may be found on page 8. If you miss too many of them, a review of history and geography is advisable. Current history questions refer to this issue of THE AMERICAN OBSERVER.

American History

1. In the 1760's the Mason and Dixon Line was surveyed to settle disputes between what two important families?
2. The U.S.S. *Oregon* made her spectacular voyage around South America during (a) Theodore Roosevelt's administration, (b) the World War, (c) the Spanish-American War, (d) the Civil War.
3. The Army officer who had charge of the building of the Panama Canal was (a) Colonel Gorgas, (b) Colonel Goethals, (c) General Wood, (d) Lieutenant Colonel Gaillard.
4. An early railroad, celebrated for its race between a locomotive and a horse, is the (a) Santa Fe, (b) Union Pacific, (c) Great Northern, (d) Baltimore and Ohio.
5. "Old Hickory" was (a) William Henry Harrison, (b) T. J. Jackson, (c) Andrew Jackson, (d) Theodore Roosevelt.
6. _____ was trained as a tailor and did not learn to read until after he was married, but he became president of the United States.

Geography

1. The missile we call a boomerang is habitually used by the natives of (a) Australia, (b) New Zealand, (c) South Africa, (d) Hawaii.
2. A monsoon is (a) an ocean current, (b) a wind, (c) an Indian ruler, (d) a snake-killing animal.
3. What state in the American Union is named for a despotic French king who wished to make himself master of Europe?

4. An area long in dispute between Bolivia and Paraguay is (a) the Amazon Valley, (b) the Andean tin region, (c) the Atacama Desert, (d) the Gran Chaco.

5. The greatest oyster-producing country in the world is (a) Norway, (b) the United States, (c) Japan, (d) Mexico.

6. About how far apart are Australia and New Zealand, the British dominions we so often mention together? (a) 25 miles, (b) 200 miles, (c) 1,000 miles, (d) 3,000 miles.

Current History

1. What percentage of the 1942 budget will be used for national defense?
2. By what methods does President Roosevelt propose to finance this program?
3. What is the population of Canada?
4. What is Canada's principal contribution to Britain's war effort?
5. Name the important war products and materials produced in Canada.
6. Why was the date of the President's inauguration changed from March 4 to January 20?
7. What are the main provisions of the controversial "lend-lease" bill now before Congress?
8. How has the American Fleet been reorganized?
9. What are the principal products of Libya?
10. What are some of the advantages of substratosphere flying?

Vocational Outlook

Engineering

THERE are about a quarter of a million men—only very few women—engaged in the engineering profession in the United States. During the depression, when industrial expansion was limited and private building activity was at a virtual standstill, a great many engineers had a hard time finding work. In the last few years, however, increasing business activity and the development of new industries have opened up new opportunities for the engineering profession. There are no figures as yet to suggest the number of jobs created for engineers by the national defense program.

There are five main branches of engineering: civil, electrical, mechanical, chemical, and mining and metallurgical engineering. There are further subdivisions. The civil engineer, for example, may specialize in municipal planning. The mechanical engineer may concentrate on aeronautical work. But most young men in engineering schools study one of the five major branches of the profession and often do not begin additional specialization until after they have been graduated and have actually begun to work.

The work of the civil engineer includes

the planning, construction, and maintenance of railroads, highways, bridges, irrigation systems, sewerage systems, and all types of private and public structures. This branch of engineering is by far the largest in the profession. The electrical engineer deals with the design and operation of generating plants, power transmission systems, electric railroads; in short, with all devices of an electrical nature. The mechanical engineer designs industrial plants, manufacturing equipment, power engines, and tools. This branch of engineering offers the widest variety of work. The newest and most rapidly growing branch of the profession, however, is chemical engineering. There are now over 17,000 chemical engineers, or about three times as many as there were in 1929. The chemical engineer—whose importance is attested by the large and growing number of synthetic products, such as rayon and plastics—tests raw materials, experiments with the manufacture of products in which chemical reactions are involved, and in other ways seeks to apply his expert knowledge of chemistry to industry. The mining engineer tests mineral deposits and develops

methods of extraction from the ground.

Each student must decide for himself which of the various branches of engineering appeals to him most. The student cannot, however, make an intelligent decision without wide and careful reading about the field as a whole. Every public library has at least a few good books that describe the different kinds of engineering work and it will pay the student to read such books carefully.

Earnings in the field compare favorably with those of other professions. In 1929, the earnings in all branches of engineering were unusually high, ranging from an average of about \$1,800 for the lowest 10 per cent to above \$7,500 for the highest tenth of the profession. By 1934, these earnings fell considerably as did incomes in all other professions. But they have been rising since and the engineer today can count upon a comfortable income.

The engineering course requires four years after high school. The student planning to devote himself to this work should make certain that he is properly qualified. Needless to say, he should have a scientific turn of mind and excel in mathematics.

♦ SMILES ♦



"It's not necessary to shout 'Stop the presses' every time you bring in an item. We don't even start 'em till Thursday." HOLLOWAY IN COLLIER'S

Teacher: "It gives me great pleasure to mark you 85 on your examination."
Pupil: "Why not make it 100 and give yourself a real thrill?" —THE FAMILY CIRCLE

"Has your baby learned to talk yet?"
"He has. We're teaching him to keep quiet now." —MONTREAL STAR

Aunt: "When I was a child I was told that if I made ugly faces I would stay that way."
Niece: "Well, auntie, you can't say you weren't warned." —PATHFINDER

"What inspired the old pioneers to set forth in their covered wagons?"
"Well, maybe they didn't want to wait about 30 years for a train." —MONTREAL STAR

A stranger applied at the police station for lodgings, and when asked his name, replied that it was Smith.

"Give your real name," he was ordered.
"Well," said the applicant, "put me down as William Shakespeare."

"That's better," the officer told him. "You can't bluff me with that Smith stuff." —WALL STREET JOURNAL

Diner: "Waiter, this soup is not fit to be served."

Waiter: "Who told you so?"

Diner: "A little swallow." —STYLUS

The Week at Home

"Lend-Lease" Measure

"A bill further to promote the defense of the United States, and for other purposes" is the name of the measure upon which the attention of the whole country is focused today. By a curious coincidence—very gratifying to the advocates of the bill—it is labeled with the patriotic number, H.R. 1776.

The purpose of the bill is to give the President power to offer any country resisting the Rome-Berlin-Tokyo Axis all the nonbelligerent assistance he may believe it to be in our interest to supply. As originally drafted, the measure permits him, regardless of the provisions of any other law, to help any nation "whose defense the President deems vital to the defense of the United States":

1. By transferring to it on such terms as he thinks wise any defense articles he

that date the framework of the Navy which is to be completed in 1945 or 1946.

The reorganization is simple enough. It consists chiefly in dignifying the Atlantic Patrol Force with the designation "Atlantic Fleet." The new term calls attention to the fact that the United States is building up in the ocean which separates it from Europe a fighting power capable of meeting a serious threat in those waters. The exact present strength of the Atlantic Fleet is a secret, but we know that it numbers about 125 ships. The fleet includes three old battleships, and it probably includes three aircraft carriers and six or eight cruisers. In addition, there are a great many destroyers and submarines.

The Atlantic Fleet cannot compare with the Pacific Fleet in strength, but the British navy has bottled up the relatively small German and Italian fleets, so there is no present possibility of attack on American possessions to the east. As new fighting ships are commissioned, the strength of the Atlantic Fleet will probably be increased more rapidly than that of the already powerful Pacific Fleet. A strong fleet off the east coast will strengthen the hand of the United States in the Far East by decreasing the chances of the Pacific Fleet's having to be shifted to the other ocean.

Food Exports

The World War brought a tremendous demand for American foodstuffs, but there is no similar demand today. Germany's conquest of Europe and the blockading of almost the whole continent by the British fleet has made the present condition very different from that in 1914-1918.

In spite of German U-boats, Britain still imports food, but she obtains most of her necessities within the Empire, and she can no longer afford to spend her foreign exchange on luxuries. The one American food product which she now buys in large quantities is preserved milk. She used to import her dairy products from Denmark, the Netherlands, and Belgium, and after those countries were overrun, she began to buy condensed milk, evaporated milk, and milk powder from this country. Our exports of these products increased from 274,000 pounds in the first 10 months of 1939 to 71,000,000 pounds in the first 10 months of 1940. Butter sales increased, too, though not in the same proportion.

But these products are exceptions. American farmers, food manufacturers, and food packers have lost most of their export market. Last year was the second highest on record for agricultural production, and now warehouses and granaries are loaded with food for which there is



LARGEST RELIEF MAP

The largest relief model of the United States has been placed on view at the Babson Institute, Babson Park, Massachusetts. The model is constructed on a scale of four miles to one inch, is 65 feet long and 45 feet wide.

no sale. Because of the money the rearmament program has put into the hands of the people, more food is being sold in the United States, and domestic sales will probably continue to rise, but there is no immediate prospect for substantial gains in the shrunken export trade.

Merchant Fleet

The merchant marine is an important part of national defense, for in time of war commercial shipping is called upon to transport troops, carry supplies, and provide auxiliary craft for the Navy.

For years our merchant fleet was given little attention, but in 1936 the Maritime Commission was formed, and next year the President made Joseph P. Kennedy chairman. In the 75 days before he left to become ambassador to Britain, Kennedy labored tirelessly to convince Congress of the seriousness of the situation and the need for action.

The result was a 10-year, 500-ship program which set 24 shipyards to building ocean-going vessels. All of these ships were to be built according to specifications drawn up by the Navy, so that they could be transformed into tenders, ammunition boats, and other auxiliaries at short notice. Last year we turned out more ships than the quota called for, but the selling of 190 vessels abroad—chiefly to help Britain—left the merchant fleet smaller at the end of 1940.

Recently President Roosevelt announced a \$350,000,000 shipbuilding program in which provision was made for the construction of a "crisis fleet" of 200 cargo ships. These vessels will all be of one design and will be prefabricated by assembly-line methods as far as possible. This procedure will make them "eye-sores," the President fears, but will save from six to eight months in building time. The ships will probably be oil-burners of about 7,500 tons and will have a speed of 10 or 11 knots.

Vitamin Bread

The realization that 45,000,000 Americans are vitamin-starved seems to be about to change the bread we eat.

Scientists have discovered that a lack of vitamin B may result in loss of appetite, weakness, fatigue, skin eruptions, and even nervous and mental disorders. Chemically known as thiamin, vitamin B₁ is found in wheat, together with other vitamins of the group called the B complex and certain valuable minerals. Unfortunately, the modern mills which produce our fine, long-keeping white flour have been eliminating from 80 to 90 per cent of the thiamin and a large portion of the

other vitamins and the minerals. Because bread is cheap and filling, it is a large item in the diet of the American people.

The importance of health and energy to the defense effort has led Miss Harriet Elliott, who guards the interests of consumers as a member of the National Defense Advisory Commission, to organize a committee of scientists for consideration of the bread problem. This committee is working with the flour millers and the Food and Drug Administration of the federal government to determine how best to restore to white flour the food properties it has been losing.

Henry Morgenthau, Jr.

The new budget will place a heavy burden upon the shoulders of the secretary of the treasury, Henry Morgenthau, Jr.



H. M. E.
HENRY MORGENTHAU

But in the last seven years Mr. Morgenthau has earned a reputation as one of the hardest-working men in the administration, and he has undoubtedly learned much which will help him handle the increased responsibility soon to be his. Long before he went to Washington, Morgenthau's name was familiar to Americans, for his father served as ambassador to Turkey when Woodrow Wilson was in the White House. Henry, Jr., was born in New York City, May 11, 1891. At the age of 18 he went to Texas for his health, and there he decided to become a farmer. He studied agriculture at Cornell University, and his father bought him 1,400 acres of good land near the Hudson River in New York State. With apples as his chief crop, Henry went right to work, and he has made a profit on his farm every year since.

One of his neighbors happened to be a Mr. Franklin D. Roosevelt, and the two men soon became friends. During the World War, Morgenthau's poor sight kept him from performing combatant service of any kind, and Assistant Secretary of the Navy Roosevelt secured him a position in the Navy Department. After this, Morgenthau played a part in all Roosevelt's political ventures. He became one of the original New Dealers.

In 1933 he was made chairman of the Farm Board and given the task of combining the nine agricultural credit agencies to make one Farm Credit Administration. Soon he was appointed acting secretary of the treasury, and on New Year's Day, 1934, he was elevated to the secretaryship.



WHAT'S HAPPENED HERE?
RAY IN KANSAS CITY STAR

wishes to give it. The term, "defense articles," includes machinery, tools, supplies, ships, besides arms and ammunition.

2. By repairing and outfitting for it any defense articles—such as warships.

3. By communicating information concerning defense articles. Blueprints for such equipment as the secret American bomb sight could be sent abroad under this provision.

No Congress has ever granted a president such wide authority in time of peace, and the bill is being opposed by those who disapprove of granting such wide powers as well as by those who fear it as a step toward war. Supporters of the measure hold that the President must be given a free hand if Britain is to be given the help she needs in time to save her, and they point out that Congress retains control of the funds needed.

Three-Fleet Navy

Eager for signs of progress toward a two-ocean Navy, Americans are showing keen interest in the reorganization which is to be effective February 1. With one fleet in the Pacific, one in Asiatic waters, and one in the Atlantic, we will have on



SCIENCE SERVICE
VITAMINS FOR BREAD

By adding vitamins to white flour the milling industry is preparing to improve the nutritive value of bread. Above is a picture of one of the important B vitamins, riboflavin, which is needed in the diet to prevent skin ailments and a serious type of eye malady. It may go into the new flour and bread.

The American Observer

A Weekly Review of Social Thought and Action

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The Week Abroad

German Reaction

Although the strongly worded indictment of Nazi policies recently delivered to Congress by President Roosevelt was re-broadcast by powerful short-wave stations in seven different languages, including German (and at least half a dozen times), not many Germans know what the President said. Most were deterred from listening by laws which make it a criminal offense to tune in on American stations. Those who braved the laws found atmospheric conditions, whether natural or man-made, extraordinarily poor.

Official circles in Berlin are better informed. They have taken careful note of the President's words, of the lend-lease bill, of proposals to repair British ships



"ARE YOU TRYING TO BEAT THE U. S. IN 'AID TO BRITAIN'?"
ELDERMAN IN WASHINGTON POST

in American harbors, and so on. Their attitude is that it was to be expected, but there are two principal reasons why Berlin does not wish to make an issue of it. First, there is the matter of the alliance with Japan, which will come into operation only if the Japanese are satisfied, in the event of a German-American conflict, that the United States began hostilities. Second, German officials seem perfectly confident that Britain can be knocked out and the war ended before American aid materializes in bulk.

In this connection, it is pointed out that just a year ago, when the world was watching the war in Finland, Germany was poised for the blow which was to fell Denmark, Norway, Belgium, Holland, and France. Germans insist that an equally terrible, but this time final blow will be dealt this spring, but they will not indicate whether it is to fall first in the Balkans, in Eire, in England, or in some other quarter, although guesses have been many.

German confidence has been increased by a new deal with Russia under which the Russians will barter wood, pulp, oil, foodstuffs, and other raw materials in exchange for German manufactures and technical assistance. Politically, however, Berlin-Moscow relations are not cordial. As German troops massed along the Bulgarian border, last week, preparatory to a possible blow against Greece or Turkey, the Soviet press sharply warned that any German move into Bulgaria would be contrary to the wishes of Moscow.

Land of the Bulgars

Bulgaria, whose independence has been threatened by German moves in south-eastern Europe, is one of the smallest and poorest states in the Balkan peninsula. Its people, numbering only 6,000,000, are largely agricultural, frugal, and uneducated. Within a mountainous rectangle no larger than Kentucky, they tend small flocks of sheep and peasant farms, fish along the Black Sea, or hunt in their mountain forests. There is some coal beneath the soil; a little iron, copper, and zinc, but it has been poorly developed, and most

Bulgarians live like their ancestors in primitive villages, widely scattered and generally dominated by a church or the thin spire of a mosque, as a hangover from days of Turkish rule.

The Bulgars rode into Europe on horseback 13 centuries ago. They were Mongols from Asia, but after conquering the Slavs, intermarried with their subject peoples and thus lost their identity. In modern times Bulgaria has been considered a Slavic state, and although it fought against Russia in the World War, has usually looked to the Russians for support in foreign affairs.

Window of Europe

If the war can truthfully be said to have brought prosperity to any people in Europe, it has probably brought it to the 600,000 inhabitants of Lisbon, capital of Portugal, which stands today as the only remaining gateway between the continent and the Western Hemisphere. Ships of many countries crowd its fine wide roadstead. Pan-American clippers, big Junkers transport planes, and the flying boats of Britain's Imperial Airways arrive and take off constantly, their passenger lists full. Hotels are crowded with refugees, some of them quite famous, anxiously awaiting passage to safety by plane or boat. Among them circulate the agents, economic and political, of Germany, Vichy, England, Russia, Italy, and Spain. Plots and counterplots, rumors, threats and promises are flying about thick and fast. Lisbon, with prices soaring, has seen nothing like it in a long time.

Known to the mariners of ancient Rome, Carthage, and even Phoenicia, once ruled by Moors, once the home port of Vasco da Gama and other famous explorers, and capital of the once immense Portuguese empire, Lisbon is a very old and historic city. Located nine miles up the Tagus River from the sea, it spreads in a steep semicircle up the sides of several hills. The canned sardines, olives, cork, and the famous red wine of Portugal are shipped from its harbor, but generally Lisbon stands aside from the main stream of world politics and economics.

Italy's Libya

A hundred and forty years ago the young republic of the United States found its sea-borne commerce so badly disrupted by pirates inhabiting the coast of Tripoli and other neighboring Barbary States along the palm-lined North African shores, that a naval force had to be dispatched to the Mediterranean. Americans won the war, but the pirates recovered, continued their raids, and kept the entire region on edge. Even in the twentieth century, after Italy had conquered the regions of Tripoli and Cirenaica, strife continued. It was not

until nine years ago that the last rebellious tribes were crushed.

Italian Libya is larger in area than Texas and California combined, but most of it is a blazing desert, a section of the immense Sahara, and therefore it is not very productive. Its 420,000 people (only 50,000 of whom are Italian) are strung out in a narrow strip along the Libyan coast where there is enough moisture to cultivate date palms, olives, lemons, almonds, figs, and vineyards. Irrigation has helped to expand the productive area of Libya, and Mussolini has gone to great lengths to induce Italians to settle there, even to the extent of providing them with newly established farms.

One of the greatest engineering feats performed by Italians in Libya was the construction of a modern highway running for 1,140 miles along the coast from French Tunisia to Egypt. British forces are now making use of this road in pressing west. Having surrounded the port of Tobruk, cutting it off from its supply of water, the British have trapped another Italian garrison. But west of Tobruk the going may be harder. Here are the Jebel hills, where many Italian colonists are concentrated behind a natural defense line. It may be possible for the British to strike around in back of the hills at Benghazi, capital of Cirenaica. This would deprive Italy of eastern Libya, but not of the great western section which contains Tripoli, the Libyan capital.

Mekong War

On its long journey southeastward from the mountains of Tibet, the Mekong, second longest river in Asia, winds and twists through jungle and plain, carrying bulky rice barges downstream to the black warehouses of Cholon, and countless tons of yellow silt to be deposited among the sandbars at its five mouths. Along a good part of its course the Mekong and two ridges of hills which curve off to the west form the boundary between French Indo-China and the Kingdom of Thailand (Siam), the former containing 24,000,000, and the latter 14,000,000 people.

During the last two months, this boundary has been the scene of an odd little war. An invading force from one side (consisting in one case of an elephant, two Ford trucks, and about two dozen men) would cross the border, shots would be exchanged, and then fighting would die down quickly, only to flare up at another point. Bombing planes from each side attacked border villages of the other. And each time a clash occurred, protests were exchanged in the two capitals.

For a few weeks this war seemed of the comic opera variety, but today it is growing more serious. On the Siamese side, the Thai are increasing the size of



LOADING "MAIL" FOR BRITAIN

The name of "Churchill" has been painted on one of the explosive bombs which are being prepared somewhere "near the North Sea" for a mission to Britain.

their forces and pressing in steadily on the Indo-Chinese frontier. An army of 9,000 French troops, 70,000 colonials, and 150 aircraft are being mobilized to meet them. Thailand's aims, as officially stated, are to recover regions lying west of the Mekong (and a little more) seized by the French in 1893 and 1907. Some observers give credence to the belief that the Thai are merely strengthening their borders against a Japanese threat, and are taking advantage of France's low morale to do it.

But the most generally accepted theory is that the Thai are acting at the behest of Tokyo to give the Japanese an excuse for adding all of Indo-China to the few bases they now control in the north, perhaps giving the west bank of the Mekong to Thailand as a reward. Control of Indo-China would place Japan in a very favorable position for action against the British at Singapore and in Malaya, or against the Dutch East Indies.

Unwavering Wavell

High German army officers, among whom it is a tradition to look with contempt upon the British army, are said to maintain that there is only one outstanding general in the British Empire. According to the Germans he is Lieutenant General Sir Archibald Percival Wavell, the one-eyed expert in desert warfare whose successful drive in North Africa has hurled the Italians back upon their base at Tobruk, deep in Libya.

General Wavell, who commands Britain's army of the Middle East, is a soldier of nearly 24 years' experience in colonial warfare. Born in 1883, young "Archie," as he was called, took after his father, a British major general, and went through the war college at Sandhurst and on into the famous "Black Watch" regiment. Starting with the South African war, at the beginning of the century, Wavell has participated in nearly every conflict in which the British Empire has been involved. He served on the turbulent Indian frontier, in France, and as a liaison officer with the Russians in Caucasia, during the World War, in stamping out troubles in Egypt, subsequently, and in suppressing the revolting Arabs of Palestine. On this last mission the Arabs were so impressed by his ruthless perseverance that they nicknamed him "the bloodhound."

In attacking the Italians in North Africa, Wavell has taken a leaf from the German rules for blitzkrieg warfare, combining small but speedy forces with air power, to pierce enemy lines, to strike in the rear, disorganize lines of supply and destroy concentration centers. In doing so he has given the British their only land victory in the present conflict.



W. W.
GENERAL A. P.
WAVELL

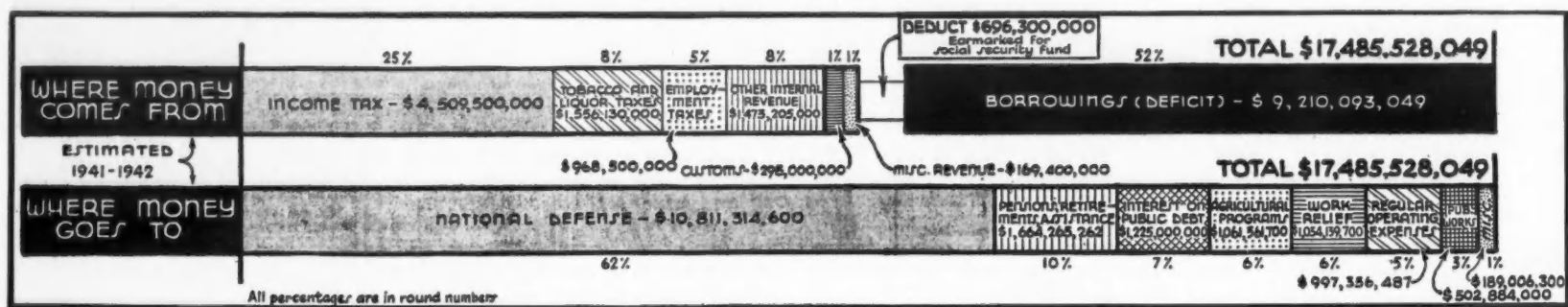


SHIPS OF THE DESERT—NEW STYLE

Australian mechanized cavalry presenting a dramatic spectacle in moving over the sands of the desert. These mechanized units led the way in the smashing British attacks against Sidi Barrani in Egypt and Bardia in Libya, and are now pounding their way westward intent upon driving the Italians out of North Africa.

The Government's Budget for 1942

(Concluded from page 1)



was particularly difficult because of the increased needs for national defense. The agencies of the government working on defense had to estimate how many tanks and guns and planes and other war materials would be needed and how much they would cost; how much would be needed for food and clothing for the expanded Army and Navy; how much would be needed to expand plants and factories to provide the equipment and materials for the defense program.

"A World at War"

The 1942 budget is, in the President's words, "a reflection of a world at war." Well over half of the 17½ billions called for will go for national defense—nearly 11 billion dollars. Of every \$10 requested, \$6.20 will be spent for national defense. "The government has embarked on a program for the total defense of our democracy," said the President. "This means warships, freighters, tanks, planes, and guns to protect us against aggression; and jobs, health, and security to strengthen the bulwarks of democracy. Our problem in the coming year is to combine these two objectives so as to protect our democracy against external pressure and internal slackness."

While the expenditures for national defense will soar rapidly during the coming year, the President asks for a sharp reduction in expenditures for the nondefense items of the federal budget. There are, of course, certain items which cannot be reduced. For example, the payments of interest on money borrowed in the past are a "fixed commitment," which cannot be reduced without repudiating an obligation. Moreover, it is difficult to make great reductions in the operating expenses of the regular departments, agencies, and bureaus of the federal government. And Mr. Roosevelt has pledged not to abandon the social reforms of his previous administrations—not to give up the health and social security program, not to abandon the farm relief program. All these programs cost money.

Nevertheless, the President has recommended a reduction of nondefense items for the next fiscal year. He asks for a slashing of 15 per cent in nondefense expenditures, involving a total cut of some \$600,000,000. Of this total, \$400,000,000 will be made up in the outlays for work relief, for which there is expected to be a smaller need because of the increased jobs that the defense program is providing.

Increased Income

While the outlays for the next fiscal year will probably surpass all others in our history, the income of the government is expected to reach an all-time high. In fact, enough revenue would be collected to balance the federal budget were it not for the extraordinary expenditures for armaments. Mr. Roosevelt estimates that the Treasury will collect nearly nine billion dollars from taxes and other revenue. But with the huge sums involved in the rearmament program, the government will close its books with the largest deficit in history, except during the World War days. By the time supplementary appropriations have been made (such as financing the aid-to-Britain program), the deficit is likely to be 10 billion dollars.

One gets a better idea of the vast sums being spent for national defense by con-

sidering the amounts involved since the present program was launched. "On the basis of the appropriations and authorizations enacted for national defense from June 1940 up to the present time," said the President, "plus the recommendations for supplementary appropriations and authorizations for 1941 and the recommendations contained in this budget for 1942, we have a program of 28 billion dollars." Of the 28 billion, more than 13½ billion is for the Army; more than 11½ billion for the Navy; nearly two billion for the expansion of industrial plants to furnish war materials; and more than one billion for various other defense items.

With the huge expenditures requested by the President, the United States faces the prospect of an ever-increasing national debt. This is one of the most serious aspects of the problem, for the national debt has already reached an all-time high. When this country embarked upon its program of preparedness during the World War, its total public debt was only a little over one billion dollars. When the war ended,

tion. "A start should be made this year," he says, "to meet a larger percentage of defense payments from current tax receipts." At the same time, he recommends "a thorough investigation of the possibilities of a comprehensive tax reform."

Higher Taxes Asked

Before the present session of Congress adjourns, it will undoubtedly have spent weeks, perhaps months, grappling with the problem of taxation to meet the new defense needs of the nation. A number of proposals are already being seriously considered by the national legislators. For one thing, Congress will consider the proposal, advanced by Secretary of the Treasury Morgenthau and others, to permit the taxation of government bonds. At the present time, billions of dollars' worth of bonds and other securities of the federal government, as well as those of state and local governments, are tax exempt. As a result, the holders of these bonds are not obliged to pay taxes on the income they receive in the form of interest. It is

ures adopted by Congress, the American people can face the prospect of increased taxes on their 1941 incomes.

Now, as throughout the depression, Mr. Roosevelt is strongly opposed to any system of taxation which weighs more heavily upon those with low incomes than upon those in the upper-income brackets. For that reason, he has consistently opposed a general sales tax on all products of consumption, contending that such a levy would bear too heavily upon the poor and would tend to reduce consumption. Whatever changes are made in the tax laws this year, therefore, are expected to be on the basis of ability to pay.

National Income

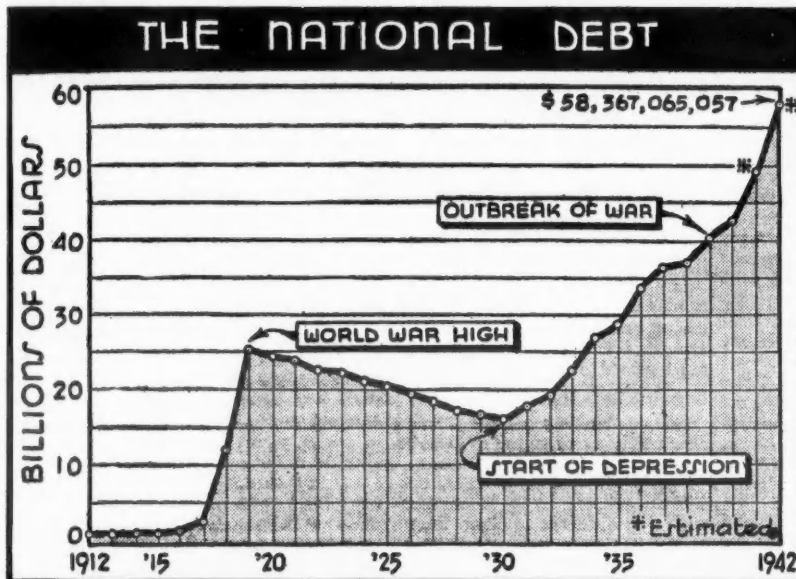
The President believes that the important thing to watch in connection with government expenditures and taxation is the national income. As the national income rises, the amount of money collected in taxes increases in like proportion. At the present time, the national income is running at the rate of about 80 billion dollars a year. Mr. Roosevelt estimates that for the fiscal year 1942 it will be between 86 and 88 billion. At the rate of increase of the last few years, it may be expected to surpass 90 billion and eventually reach 100 billion. In the case of such an increase, the yield from taxation, at the present rate, would exceed 13 billion dollars. With the contemplated increases in taxation rates, the yield would be considerably larger.

For the time being, however, a large part of the funds to pay for the national defense program must be raised by borrowing. In the heavy borrowing program that has been carried out since the beginning of the New Deal, the Treasury has depended primarily upon banks and insurance companies to purchase its bonds. Only a relatively small proportion of them have been bought by individuals or industrial corporations. The President stated in his budget message that the defense program will be financed to a larger extent by borrowing money from individual persons. It is not unlikely that a program similar to the Liberty Bond campaigns of World War days will be launched, whereby bonds in various amounts will be sold to the general public.

These are the main features of the 1942 budget and the principal problems that it has created. In order to insure the success of the preparedness program and to pay its costs, the American people will be called upon to shoulder additional burdens and to make unusual sacrifices. But as the President declares: "The necessity for loading the present budget with armament expenditures is regretted by every American. A wry turn of fate places this burden of defense on the backs of a peace-loving people."

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the debt had mounted to more than 25 billion. At the end of next June, our debt will have passed the legal limit of 49 billion and by the time the 1942 expenditures have been completed, it is likely to be 58 billion—more than twice as large as the World War peak and twice as large as it was as recently as 1935. Thus Congress will have to raise the legal debt limit or remove it altogether.

No one can, of course, predict how high the national debt will eventually go since the amount of money which the government will spend in the next few years will depend upon the trend of world affairs. If the war continues for several years and the United States maintains or even increases its present rearmament efforts, it is conceivable that the public debt will reach the staggering level of 100 billion dollars. Mr. Roosevelt recognizes the danger of a mounting public debt but declares that events beyond our control have forced us to spend such gigantic sums.

White it is admittedly impossible to bring the federal budget into balance during a period when such large sums must be spent for national defense, the President has recommended that the tax laws be revised so that a larger proportion of the total outlay will be raised by tax-

estimated that an additional \$400,000,000 in revenue a year could eventually be collected by the federal Treasury if the tax-exemption features of government bonds were removed. Certainly, a strong drive will be made to secure the enactment into law of such a proposal during the present session of Congress.

It is likely, moreover, that the income tax rates on individuals and on corporations will be boosted during the months ahead. The last Congress revised the tax laws so as to increase the revenue. The exemption to single persons was reduced from \$1,000 to \$800 and for married persons from \$2,500 to \$2,000. As a result of this change more than 2,000,000 additional persons will have to pay taxes on their 1940 incomes than previously. It is urged now that the exemptions be lowered still more, perhaps to \$1,800 for married persons.

At the same time, it is urged that the rates of taxation on incomes be increased. At present a flat rate of four per cent is charged on the first \$4,000 of a person's income, after which the rate is increased. It is suggested that the rate be boosted to at least six per cent on the first \$3,000 and that the rate be sharply boosted after that point. Whatever the specific meas-

Canadians Increase Activities to Bolster Great Britain's War Effort

(Concluded from page 1)

air base. Canadian production levels today are higher than at any other time in history. In terms of value of goods produced, they are 70 per cent higher than those of the peak war years, 1917 and 1918, and 50 per cent above Canada's previous all-time record year, 1928.

A Changed Country

To many Americans it seems fantastic to picture the quiet, friendly Dominion to the north as a country grimly locked in war. We have long been accustomed to thinking of Canada as a particularly peaceful land where nothing of headline importance ever happens—a land so unwarlike that we could leave our common 3,000-mile frontier without a single fortification throughout its entire length. In normal times, millions of Americans pour across that border to spend \$300,000,000 a year; along with American magazines, newspapers, motion pictures, and radio programs. They get to know such playgrounds as the Gaspé peninsula, the St. Lawrence Valley, the Canadian Rockies, the snowy slopes of the Laurentian Mountains, or the best regions for fishing or hunting, skiing, or tobogganing. But of the everyday Canada and of its social and economic and political problems, surprisingly little is generally known in the United States.

Canada on the map is immense in area, the largest country in the Western Hemisphere. But if maps were drawn on the basis of population only, it would be a narrow strip extending for 3,000 miles along our northern border, but only 200 miles deep. Nine out of every 10 Canadians live within that strip. North of that 200-mile strip stretches a vast, sparsely settled, undeveloped wilderness. It is a vast shelf of land tipping gently north and east with the result that the natural outlets of Canada lead into the Atlantic or the Arctic—not south or west.

It is also a mistake to think of the Canadians as a people whose problems are much simpler than ours. They are not, for while the people living in that narrow strip along the United States border are tied together by Dominion status within the British Empire, and by two large railway systems, there are many geographical, economic, and racial factors which tend to split them into conflicting groups.

Ontario and Quebec

The Dominion has always been dominated by the two big provinces of Ontario and Quebec, which contain two-thirds of the population and four-fifths of the factories of Canada. Toronto and Montreal contain most of the head offices of Canadian railways, banks, insurance companies, and corporations. Ottawa, the capital, contains the government offices and serves as a social center during part of the year. In these provinces there is also the big tourist city of Quebec, high upon a bluff overlooking the St. Lawrence River. Generally speaking, these two provinces bear the same relation to the rest of Canada as the industrial east does to the rest of the United States; but only generally speaking, for Quebec (the province) is overwhelmingly French-speaking and Catholic, with a strong leaning toward agriculture and small industries, while Ontario, 75 per cent English-speaking and Protestant, is more favorable to large industries. The rivalry between these two leading provinces is deep-seated, but it is approached by differences with the remainder of Canada.

In the east, along the Atlantic coast, are the Maritime Provinces—Nova Scotia, New Brunswick, and Prince Edward Island, where small farmers, fishermen, and small businessmen who mine coal and manufacture a little steel balance their intense loyalty to England with insistent demands that the government make it possible for them to sell their produce in the United States. Directly west of Ontario lie the great plains of Manitoba, Alberta, and Saskatchewan, where the bonds with Eng-

land are much weaker and where the chief interests lie in any country or countries in the world which will buy, or might be induced to buy Canadian wheat. Since the United States is a competitor of, rather than a market for, farmers of this region, demands on the government from the wheat belt are very different from those of the Maritime Provinces. They also differ from those of industrial Ontario, where businessmen in normal times are far more interested in developing Canadian industry than in keeping world markets open to Canadian wheat, of which 500,000,000 bushels were produced this year.

In British Columbia there is still another group of Canadians, these with their backs to the Rockies and their faces to the Pacific. They are generally more interested in the Far East than in Europe; and more fearful of Japan than of Germany. In an economic sense they are concerned with shipping the products of their forests, mines, fisheries, and of the western wheat fields, to world markets by sea.

In years past Canadian politics have been badly torn between the opposing wishes of these groups. Similar divisions enliven politics in the United States, of course, but the gap between farm and city, French and English, industry and agriculture has been wider in Canada than in this country.

Spirit of Unity

Since the war began in Europe and Canada joined the Empire's participation in the conflict, a new spirit of unity has prevailed in Canada. Not all the thorny problems have been settled by any means, but for the present the Dominion has united behind the prime minister, Mr. Mackenzie King, in an intense effort to save the British Empire. The fisheries, mines, industries, and farms are being worked to capacity to feed, clothe, and arm the Empire. Unemployment is at its lowest in a long time, and getting lower as rapidly as new factories begin production. The Quebec French groups have long since repudiated the elements among them which opposed anything beyond a severely limited participation in the war, and have given the government their support.

This war effort has entailed sacrifices. At first they took the form of minor irritants, as the government seemed to be going to unnecessary lengths in censorship and propaganda, while showing distinct signs of inefficiency in providing quarters for the army and in getting the war machine in motion. But since the seriousness of Britain's position has become clear to all, the economic burden of fighting a modern war is beginning to weigh on the whole nation. To begin with, the war is costing Canada \$80,000,000 a month, a sum which is likely to increase as the time goes on. Taxes are rising, working hours are being extended from a 44- to a 48-hour standard. To conserve machine tools and eliminate the bottleneck in their production, the government has "frozen" existing models of autos, bicycles, radios, refrigerators, cooking, heating, sewing, and washing equipment, vacuum cleaners, typewriters, and a score of other similar household and office manufactures—that is, it has prohibited the manufacture of new models which might require new machinery and new machine tools. In Quebec and Ontario people are getting up and going to bed by daylight saving time in order to use less electricity and conserve electric power for vital industries.

In addition, Canadians have found their individual liberties giving way to greater restrictions. Local governments are losing power to the central government. A strict censorship has been clamped down on radio, newspapers, magazines, and movies. The ancient right of *habeas corpus* has been set aside for the time being, since the government now has the right to arrest and hold in "protective custody" without trial any citizen believed guilty of breaking defense regulations. Although



CANADIAN TRADE COMMISSION
MOUNT ROYAL, OVERLOOKING THE CITY OF MONTREAL

a price board has attempted to peg food prices at a reasonable level, they have risen anywhere from 10 to 25 per cent, while wages have lagged behind. Special government "managers" have now been appointed to control timber, steel, machine tools, and electric power.

Thus Canada is mobilizing her resources behind those of Britain. These resources are considerable. The Dominion already produces 93 per cent of the world's nickel, 11 per cent of its lead, copper, and zinc, nine per cent of its refined aluminum and a tenth of its gold. There are close to 725,000,000 bushels of Canadian wheat now awaiting export (including a carry-over from last year), and there are yet immense mineral deposits and big areas of potential farmland which have still to be developed.

The biggest of these areas is in the north, where 2,500,000 miles of territory, comprising more than two-thirds of the Dominion, awaits the attentions of engineers, farmers, and miners. Experts have predicted that if the minerals, soil, and electric power resources of this region could be developed, Canada might support from 18,000,000 to 25,000,000 people.

The Canadians also have reason to believe that they will enjoy greater economic independence and play a more important part in Empire affairs than formerly. For one thing, Canada now serves as a link

between the United States and the British Empire, and the Canadian-American Permanent Joint Defense Board which, under the chairmanship of Mayor La Guardia, is discussing ways to strengthen North American defenses, is a very real part of that link. It is a sign of closer cooperation with the United States, but Canadians as a rule are reluctant to talk very much about that. The fact that Canada recently opened legations in Buenos Aires and in Rio de Janeiro indicates a new Canadian interest in Latin American affairs. Hitherto Canada, not being a republic, has held aloof from participation in Latin American conferences and discussions. Many observers believe that the future will find Canada actively supporting the Monroe Doctrine.

References

"Canada Rolls Up Her Sleeves," by J. Beatty. *Current History*, November 7, 1940, pp. 15-17.

"Canada Gets Mad," by W. Davenport. *Collier's*, June 22, 1940, p. 13. Canada's 11,000,000 people have put aside other considerations and dedicated themselves to a fight to the finish.

"Canada at War." *Fortune*, November 1940, pp. 51-57. Canada's "enormously expanded industry is pouring out planes, tanks, guns, and shells; may soon need U. S. dollars; will compete with the U. S. and England when peace comes."

"Canada: America's Problem," a condensation from the book by John MacCormac. *Reader's Digest*, August 1940, pp. 125-135.



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- Information Test Answers**
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1. The Lords Baltimore and the Penn family. 2. (c) The Spanish-American War. 3. (b) Colonel Goethals. 4. (d) Baltimore and Ohio. 5. (c) Andrew Jackson. 6. Andrew Johnson.
- Geography**
1. (a) Australia. 2. (b) A wind. 3. Louisiana was named for Louis XIV. 4. (d) The Gran Chaco. 5. (b) The United States. 6. (c) 1,000 miles.